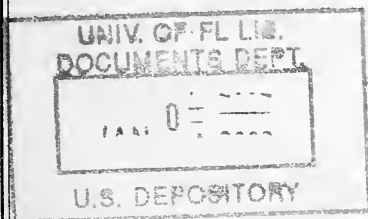


NATIONAL RECOVERY ADMINISTRATION

AMENDMENT TO
CODE OF FAIR COMPETITION
FOR THE
MOTION PICTURE INDUSTRY

AS APPROVED ON JULY 27, 1934



UNITED STATES
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AMENDMENT TO CODE OF FAIR COMPETITION

FOR THE

MOTION PICTURE INDUSTRY

As Approved on July 27, 1934

ORDER

APPROVING AMENDMENT OF CODE OF FAIR COMPETITION FOR THE
MOTION PICTURE INDUSTRY

An application having been duly made pursuant to and in full compliance with the provisions of Title I of the National Industrial Recovery Act, approved June 16, 1933, for approval of an amendment, to a Code of Fair Competition for the Motion Picture Industry, and the annexed report on said amendment containing findings with respect thereto, having been made and directed to the President:

NOW, THEREFORE, on behalf of the President of the United States, I, Hugh S. Johnson, Administrator for Industrial Recovery, pursuant to authority vested in me by Executive Orders of the President, including Executive Order 6543-A, dated December 30, 1933, and otherwise, do hereby incorporate by reference, said annexed report and do find that said amendment and the Code as constituted after being amended comply in all respects with the pertinent provisions and will promote the policy and purposes of said Title of Said Act, and do hereby order that said amendment be and it is hereby approved, and that the previous approval of said Code is hereby modified to include an approval of said Code in its entirety as amended, such approval and such amendment to take effect ten days from the date hereof, unless good cause to the contrary is shown to the Administrator before that time and the Administrator issues a subsequent order to that effect.

HUGH S. JOHNSON,
Administrator for Industrial Recovery.

Approval recommended:

SOL A. ROSENBLATT,
Division Administrator.

WASHINGTON, D.C.,
July 27, 1934.

REPORT TO THE PRESIDENT

The President,
The White House.

SIR: The Code Authority of the Motion Picture Industry submitted on July 3, 1934, proposed amendments for the Code of Fair Competition for the Motion Picture Industry. These amendments as submitted were presented to the Legal Division of the National Recovery Administration and received its approval.

The main body of these amendments being in accord with an Executive Order signed by you and dated April 14, 1934, a public hearing was not deemed necessary, and in lieu of the public hearing a notice of opportunity to file objections (Administrative Order No. 124-24) was printed and distributed in the same manner as a notice of hearing. Ten days were given in this notice of opportunity to file objections as a time within which objections to these amendments were to be received.

In their final form, these amendments were approved by the Legal Division and the Research and Planning Division of the National Recovery Administration. The reports of the remaining Boards are not necessary since these amendments are confined to the collection of expenses of Code Administration and a model clause regarding the liability of members of the Code Authority.

The Deputy Administrator in his final report to me on said amendments to said Code having found as herein set forth and on the basis of all the proceedings in this matter:

I find that:

(a) The amendments to said Code and the Code as amended are well designed to promote the policies and purposes of Title I of the National Industrial Recovery Act including the removal of obstructions to the free flow of interstate and foreign commerce which tend to diminish the amount thereof, and will provide for the general welfare by promoting the organization of industry for the purpose of cooperative action among trade groups, by inducing and maintaining united action of labor and management under adequate governmental sanction and supervision, by eliminating unfair competitive practices, by promoting the fullest possible utilization of the present productive capacity of industries, by avoiding undue restriction of production (except as may be temporarily required), by increasing the consumption of industrial and agricultural products through increasing purchasing power, by reducing and relieving unemployment, by improving standards of labor, and by otherwise rehabilitating industry.

(b) The Code as amended complies in all respects with the pertinent provisions of said Title of said Act, including without limitation Subsection (a) of Section 3, Subsection (a) of Section 7, and Subsection (b) of Section 10 thereof.

(c) The Code empowers the Code Authority to present the aforesaid amendments on behalf of the industry as a whole.

(d) The amendments and the Code as amended are not designed to and will not permit monopolies or monopolistic practices.

(e) The amendments and the Code as amended are not designed to and will not eliminate or oppress small enterprises and will not operate to discriminate against them.

(f) Those engaged in other steps of the economic process have not been deprived of the right to be heard prior to approval of said amendments.

For these reasons, these amendments have been approved.

Respectfully,

HUGH S. JOHNSON,
Administrator.

JULY 27, 1934.

AMENDMENT TO CODE OF FAIR COMPETITION FOR THE MOTION PICTURE INDUSTRY

Amend Article II as follows: Add to Section 10, sub-section (b) the following:

Upon approval by the Administrator of an itemized budget of such expenses and an equitable basis of contribution thereto, each such member shall be legally obligated for, and shall pay to the Code Authority, his or its respective equitable contribution, subject to rules and regulation pertaining thereto issued by the Administrator. Failure to pay such equitable contribution shall constitute a violation of this Code. In addition to all other rights and remedies with respect thereto, the Code Authority shall have the right to institute legal proceedings for the collection of any such equitable contribution.

Add as Section II the following new paragraph:

II. Nothing contained in this Code shall constitute the members of the Code Authority partners for any purpose. Nor shall any member of the Code Authority be liable in any manner to anyone for any act of any other member, officer, agent or employee of the Code Authority. Nor shall any member of the Code Authority, exercising reasonable diligence in the conduct of his duties hereunder, be liable to anyone for any action or omission to act under this Code, except for his own willful malfeasance or non-feasance.

Approved Code No. 124—Amendment No. 2.
Registry No. 1639-03.

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